

Functional Series 500 - Management Services
ADS Chapter 537 - Professional Liability Insurance

***This chapter has been renamed. The sections on Tort Claims have been moved to ADS 152. The sections on Indemnification of Employees, and Representation of Employees by the Department of Justice or Private Counsel at Government Expense have been moved to ADS 153.**

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537.1 OVERVIEW

This chapter establishes policy and procedures for reimbursement to eligible employees for a portion of the cost of professional liability insurance.

537.2 PRIMARY RESPONSIBILITIES

a. Operating units (Missions, Bureaus, and Independent Offices) are responsible for approving/disapproving requests for reimbursement of the costs of professional liability insurance.

537.3 POLICY AND PROCEDURES

537.3.1 Professional Liability Insurance

a. USAID will reimburse eligible employees the lesser of \$100 or one-half (1/2) of the annual premium for professional liability insurance.

b. Professional liability insurance is insurance that provides coverage for:

1. Legal liability for damages due to injuries to other persons, damage to their property, or other damage or loss to such other persons (including the expenses of litigation and settlement) resulting from or arising out of any tortious act, error, or omission of the covered individual (whether common law, statutory, or constitutional) while in the performance of such individual's official duties; and

2. The cost of legal representation for the covered individual in connection with any administrative or judicial proceeding (including any investigation or disciplinary proceeding) relating to any act, error, or omission of the individual while in the performance of such individual's official duties, and other legal costs and fees relating to any such administrative or judicial proceeding.

c. Transition provision for Fiscal Year 2000: Premiums for coverage for all or part of calendar year 1999 are eligible for reimbursement.

537.3.2 Reimbursement Procedures

Employees submit an SF-1164, Claim for Reimbursement for Expenditures on Official Business, to their executive or administrative office with evidence of the amount of premium, the term of the coverage, and proof of payment. The operating unit is responsible for approving/disapproving the request and forwarding it to the paying office for reimbursement. **(See Mandatory Reference, [SF-1164](#))**

537.3.3 Eligible Employees

Eligible employees include both U.S. and non-U.S. citizen employees and both direct-hire and personal services employees who are any of the following:

a. Supervisors. A supervisor is an employee having authority in the interest of the Agency to hire, direct, assign, promote, reward, transfer, furlough, layoff, recall, suspend, discipline, or remove employees, adjust their grievances, or effectively recommend such action, if the exercise of the authority is not merely routine or clerical in nature but requires the consistent exercise of independent judgment. Also, direct-hire employees who are assigned to supervisory designated positions as signified by the numeric codes of 2 or 4 in column 4 of the Agency's Official Staffing Pattern.

A supervisor is also an individual with authority to direct an employee's daily work activities, which could include non-supervisory team leaders, managers of Foreign Service National (FSN) staff, and others.

b. Management officials. A management official is an employee required to submit either the SF-278, Public Financial Disclosure Report, or the OGE Form - 450, Confidential Financial Disclosure Report.

c. Law enforcement officials.

537.3.4 Funding

a. Operating Expense (OE) funds must be used for OE-funded employees. Program funds must be used for program-funded employees unless it poses an undue administrative burden to do so and it is more cost efficient to use OE funds.

b. Reimbursements for this professional liability insurance to Personal Service Contractors (PSCs) do not have to be made as part of their contracts. Reimbursement can be provided independently under this authority without reference to their contracts.

537.4 MANDATORY REFERENCES

537.4.1 External Mandatory References

a. Section 642 of the Treasury and General Government Appropriations Act, FY 2000, [Public Law 106-58](#), September 29, 1999, which amended section 636 of Treasury, Postal Service and General Government Appropriations Act, 1997.

b. [SF-1164](#), Claim for Reimbursement for Expenditures on Official Business

537.4.2 Internal Mandatory References

537.5 ADDITIONAL HELP

537.6 DEFINITIONS (See [ADS Glossary](#))

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